

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

March 17, 2025

The Investment Committee (Committee) met on March 17, 2025, in the Lincoln Plaza North Building, Feckner Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:18 a.m. and the following members were present:

David Miller, Chairperson
Mullissa Willette, Vice Chairperson
Malia Cohen
Michael Detoy
Fiona Ma, represented by Frank Ruffino
Eraina Ortega
Jose Luis Pacheco
Kevin Palkki
Ramon Rubalcava
Theresa Taylor
Yvonne Walker
Gail Willis (Remote) – arrived later at 9:43 a.m.

AGENDA ITEM 2 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING

Stephen Gilmore, Chief Investment Officer (CIO), shared his recent participation at an event with the California Professional Firefighters (CPF) and as a panelist discussing his Total Portfolio Approach (TPA) experiences at the Pacific Pension & Investment Institute's (PPI) 2025 Winter Roundtable.

The Committee then heard public comment from:

- Jared Gaby Biegel, United Food and Commercial Workers International Union,
- Barbara Washburn, CalPERS Retiree,
- Sara Theiss, Fossil Free California, CalPERS Retiree,
- Alyssa Giachino, Private Equity Stakeholder Project, and
- Sheila Thorne, CalPERS Retiree.

At 9:43 a.m. Dr. Gail Willis joined the meeting.

The Committee continued to hear public comment from:

- Karen Jacques, CalPERS Beneficiary,
- Paulita Pena, SEIU Local 503,
- Eileen Baltan, State Worker, Union Member,
- Andre Oliveira, SEIU Local 521,

- Nick Jacque, SEIU Local 521, CalPERS Member,
- Brian O'Neill, SEIU Local 521, CalPERS Retiree,
- Quinn Eide, Fossil Free California,
- Jakob Evans, Sierra Club California,
- Crystal Zermeno, California Common Good,
- Heidi Harmon, Former Mayor, City of San Luis Obispo,
- Greg Lichtenstein, CalPERS Retiree,
- Rev. Deborah West-Jones, Retired Nurse,
- Sheila Cox, CalPERS Retiree,
- Teresa Eade, CalPERS Retiree,
- Paul Baranich, CalPERS Retiree, and
- Dan Cohn, Institute for Energy Economics and Financial Analysis.

At 10:33 a.m. the Committee recessed into a break. The Committee reconvened into Open Session at 10:49 a.m.

The Committee continued to hear public comment from:

- Megan Shumway, Retired Public Health Nurse.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

On **MOTION** by Ms. Taylor, **SECONDED** by Mr. Palkki, to approve the following items:

- a. Approval of the March 17, 2025, Investment Committee Timed Agenda
- b. Approval of the February 18, 2025, Investment Committee Open Session Meeting Minutes

A roll call vote was taken:

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Mullissa Willette	Kevin Palkki		
Malia Cohen	Ramon Rubalcava		
Michael Detoy	Theresa Taylor		
Frank Ruffino	Yvonne Walker		
Eraina Ortega	Gail Willis		
Jose Luis Pacheco			

Final vote was 11 Yes, 0 No, 0 Abstain. The motion **CARRIED**.

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items with no additional discussion:

- a. Annual Calendar Review
- b. Draft Agenda for the June 16, 2025, Investment Committee Meeting
- c. Quarterly Update – Affiliates Performance and Risk
- d. Quarterly Update – Investment Controls
- e. Disclosure of Placement Agent Fees and Material Violations
- f. Terminated Agency Pool Rebalance
- g. Modernizing Investment Data & Technology Update

AGENDA ITEM 5a – POLICY CHANGES FOR RESPONSIBLE CONTRACTOR POLICY – THIRD READING

Tamara Sells, Associate Investment Manager (AIM), presented the Third Reading of the Policy Changes for Responsible Contractor Policy.

The Committee heard public comment on this item from:

- Susan Minato, Unite Here Local 11,
- Jeremy Smith, State Building and Construction Trades Council of California,
- Michael Mark, Sheet Metal Workers Local 104, and
- Jennifer O'Dell, Laborers International Union of North America.

On **MOTION** by Ms. Taylor, **SECONDED** by Mr. Rubalcava, to approve the Policy Changes for Responsible Contractor Policy – Third Reading.

A roll call vote was taken:

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Michael Detoy	Gail Willis	Mullissa Willette	Malia Cohen
Eraina Ortega		Frank Ruffino	
Kevin Palkki		Jose Luis Pacheco	
Ramon Rubalcava			
Theresa Taylor			
Yvonne Walker			

Final vote was 7 Yes, 3 No, 1 Abstain. The motion **CARRIED**.

AGENDA ITEM 6a – CALPERS TRUST LEVEL REVIEW CONSULTANT REPORT

Tom Toth, Wilshire Advisors, Steve McCourt, Meketa Investment Group, Steve Hartt, Meketa Investment Group, and Mary Bates, Meketa Investment Group, presented the CalPERS Trust Level Review Consultant Report. This agenda item provided an update on market conditions and CalPERS' performance commentary from the Board's Investment Consultants.

The Committee heard public comment on this item from:

- Mark Swabey, CalPERS Retiree,
- Frank Ruiz, CalPERS Retiree, and
- Teresa Ramirez, Interpreter, for Herminia, Tony's Fresh Markets.

At 12:47 p.m. the Committee recessed into lunch. The Committee reconvened into Open Session at 1:32 p.m.

AGENDA ITEM 6b – CALPERS TRUST LEVEL REVIEW

Mr. Gilmore, CIO, Peter Cashion, Managing Investment Director (MID), and Lauren Rosborough Watt, Investment Manager (IM), presented the CalPERS Trust Level Review. This agenda item provided an update on economic conditions, commentary on performance and risk positioning across CalPERS funds, and a review of investment and operational highlights for the investment program.

AGENDA ITEM 6c – ASSET LIABILITY MANAGEMENT: GOVERNANCE AND REPORTING

Mr. Gilmore, CIO, Michele Nix, Chief Financial Officer (CFO), and Scott Terando, Chief Actuary, presented on Asset Liability Management: Governance and Reporting. This agenda item provided Board education on asset liability management (ALM) governance and investment performance reporting. First, it reviews the current ALM framework and potential changes under a Total Portfolio Approach (TPA). Then it considers how investment performance reporting will need to change under TPA.

AGENDA ITEM 6d – PROXY VOTING AND CORPORATE ENGAGEMENTS UPDATE

Simiso Nzima, MID, and Drew Hambly, Investment Director (ID), presented a Proxy Voting and Corporate Engagements Update. This agenda item provided an update of Global Public Equity's Corporate Governance Program's proxy voting and corporate engagements work streams. In line with the Total Fund Investment Policy, staff updates the Investment Committee periodically and as such, this update provides details on the progress and activities within these work streams.

AGENDA ITEM 6e – TOTAL FUND PORTFOLIO MANAGEMENT INVESTMENT TREASURY OVERVIEW

Sterling Gunn, MID, Jonathon O'Donnell, ID, Brian Leu, ID, and Michael Krimm, ID, presented a Total Fund Portfolio Management Investment Treasury Overview. This agenda item provided Board education on portfolio operations and investment decision making by summarizing management's approach and implementation of the Liquidity Management Framework. The presentation described the Liquidity and Financing Management functions within the broader Investment Treasury Program and how those functions support the strategic objectives of CalPERS.

AGENDA ITEM 6f – RESPONSIBLE CONTRACTOR POLICY ANNUAL REVIEW

Peter Cashion, MID, and Tamara Sells, AIM, presented the Responsible Contractor Policy Annual Review. This agenda item provided the required annual update for the Real Assets program's compliance with CalPERS Responsible Contractor Program Policy (Policy). For Fiscal Year 2023-24, 100% of qualifying contract payments were made under the Policy to certified responsible contractors. Managers reported that implementing the Policy did not have an adverse material impact on CalPERS' investment returns.

AGENDA ITEM 6g – SUMMARY OF COMMITTEE DIRECTION

Related to agenda item 5a – The Chair directed staff to perform a cost and scope analysis of a market study of prevailing wage and labor peace agreements for the Responsible Contractor Policy.

AGENDA ITEM 6h – PUBLIC COMMENT

The Committee heard public comment from:

- J.J. Jelincic, CalPERS Beneficiary.

The Committee convened into Closed Session at 3:25 p.m. and reconvened at 5:39 p.m.

The meeting adjourned at 5:39 p.m.

The next Committee meeting is scheduled for June 16, 2025, in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Matt Goss
Committee Secretary